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## State of California



## **Division of Workers' Compensation**

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## Electronic and standardized medical treatment billing regulations approved by Office of Administrative Law

The Division of Workers' Compensation (DWC) has adopted new regulations for standardized paper billing forms and electronic billing standards. The final regulations were approved by the Office of Administrative Law (OAL) and filed with the secretary of state on April 18, 2011. Approval of this rulemaking marks the completion of another set of regulations that is part of DWC's 12-point plan to control medical costs in California's workers' compensation system by streamlining and relieving administrative burdens.

"California will now be one of the first states in the country to provide for e-billing in workers' compensation," said DWC Chief Counsel Destie Overpeck. "These regulations encourage both workers' comp insurers and medical providers to transition to e-billing, which means providers will get paid faster and more paper will be eliminated from the system."

The new regulations will streamline paper billing by standardizing billing forms and making it easier to communicate through the use of standardized bill review messages. Implementation of the electronic billing rules will improve efficiency of the billing and remittance process and produce quicker bill payment. By statute, claims administrators are required to accept electronic bills and may develop their own capacity to accept electronic bills or may contract with a vendor to perform the function. Participation in electronic billing is optional for medical providers.

Provisions relating to paper billing become effective on Oct. 15, 2011 and provisions relating to electronic billing become effective Oct. 18, 2012 in order to allow time for implementation. The regulations satisfy Labor Code section 4603.4 requirements and amend Title 8, California Code of Regulations section 9792.5, and adopt new sections 9792.5.0, 9792.5.1, 9792.5.2, and 9792.5.3.

The <u>approved regulations</u>, including the "Medical Billing and Payment Guide 2011" and the "Electronic Medical Billing and Payment Companion Guide 2012," as filed with the secretary of state are now available. Also available at the DWC Web site are the final statement of reasons for the rulemaking, a summary of public comments made during the rulemaking and the division's responses to those comments.